

**Assembly Bill 1791 (Runner)  
Disclosure of Economic Interests**

**Version:** As amended, April 15, 2002

**Status:** Assembly Floor

**Set for hearing:** April 24, 2002

**Commission Position:** Oppose

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**Update**

The Commission voted on April 12, 2002, to oppose this bill. Since that time, the bill was amended to eliminate all previous provisions. The bill now reduces from 30 to 10 the number of days that new state employees and appointees have to file Statements of Economic Interests (SEIs). This bill passed the Assembly Elections and Appropriations Committees and is now on the Assembly Floor.

**Summary of Bill**

Under current law, elected officials and appointed officials not requiring Senate confirmation are required to file their SEIs within 30 days.<sup>1</sup> Designated employees must file their SEIs within 30 days after assuming office.<sup>2</sup>

This bill amends § 87202 to require government officials who are elected or appointed at both the state and local level to file their SEIs within 10 days. The bill would also amend § 87302 to require that designated employees file their SEIs within 10 days.

**Background**

87202 (Public SEI officials filing timeline)

The Political Reform Act of 1974, as approved by the voters, provided that elected officials (under § 87200) and designated civil service employees (§ 87302) filed their SEIs within 30 days. Appointed officials were required to file SEIs within 10 days.

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<sup>1</sup> Government Code § 87202 (a) provides: “Every person who is elected to an office specified in Section 87200 shall, within 30 days after assuming the office, file a statement disclosing his or her investments and his or her interests in real property held on the date of assuming office, and income received during the 12 months before assuming office. Every person who is appointed or nominated to an office specified in Section 87200 shall file such a statement not more than 30 days after assuming office, provided, however, that a person appointed or nominated to such an office who is subject to confirmation by the Commission on Judicial Appointments or the State Senate shall file such a statement no more than 10 days after the appointment or nomination.”

<sup>2</sup> Government Code 87302 (b) provides: “An initial statement shall be filed by each designated employee within 30 days after the effective date of the Conflict of Interest Code, disclosing investments, business positions, and interests in real property held on the effective date of the Conflict of Interest Code and income received during the 12 months before the effective date of the Conflict of Interest Code. Thereafter, each new designated employee shall file a statement within 30 days after assuming office, or if subject to State Senate confirmation, 30 days after being appointed or nominated, disclosing investments, business positions, and interests in real property held on, and income received during the 12 months before, the date of assuming office or the date of being appointed or nominated, respectively.

Legislative amendments to these requirements took the following forms in the intervening years:

	<i>87200 Filers (Appointed)</i>	<i>Designated Employees</i>
1975	10 days <b>before</b> assuming office (AO)	Civil Service—30 days after AO Non CS—10 days <b>before</b> AO or 10 days <b>before</b> confirmation
1979	10 days <b>after</b> AO or 10 days <b>after</b> appointment or nomination if subject to confirmation	Civil Service—No change Non CS—10 days <b>after</b> AO or 10 days <b>after</b> appointment or nomination if subject to confirmation
1981	No change	All—30 days after AO or 30 days after appointment/nom if subject to confirmation
1998	<b>30</b> days after AO or 10 days after appointment or nomination if subject to confirmation	No change

In 1997, SB 197 (Craven) extended the time period in which appointed officials (not subject Senate confirmation) were required to file SEIs from 10 days to 30 days. This bill was sponsored by the County Clerks Association of California and supported by the Fair Political Practices Commission. The purpose of the bill was to conform the filing timeline requirements between elected officials (then 30 days) with appointed officials (10 days).

### Discussion and Policy Considerations

Staff members of the Los Angeles City Ethics Commission, San Francisco Ethics Commission and Oakland Ethics Commission have expressed serious concern that the 10-day filing deadline is inadequate. These local agencies believe this change in policy would be very burdensome and impractical. Los Angeles City Ethics Commission is the filing officer for the 5,000 city employees required to file SEIs and has expressed serious doubt that 10 days would be adequate time for employees to be informed of their filing obligation and for them to complete their SEIs.

FPPC staff agrees that new employees would have a difficult time completing their SEIs within 10 days of employment. Whether or not SEIs are filed, the conflict-of-interest disqualification provisions of the Act are punishable offenses from an individual's first day of employment. Some employees must consult financial records, financial consultants, accountants, spouses, etc., in order to complete their SEIs. The Commission's Technical Assistance Division is also frequently consulted to answer questions about disclosure requirements.

Arguments in Favor	Arguments Against
The shortened timeframe will provide the public with financial disclosure more quickly.	The 10-day timeframe may be inadequate for individuals with complex financial interests, resulting in errors and omissions in the filings.
Shortened timeframe may make people aware of ethics issues earlier.	Inadequate time to prepare SEIs may result in frequent amendments.
	A shortened timeframe does not protect the public because legal provisions exist that make conflict-of-interest violations illegal whether SEIs are filed or not.

**Staff recommendation:** Remain opposed.